Saskatchewan
Finance

Annual Report 2005

Saskatchewan Liquor Board Superannuation Commission

TABLE OF CONTENTS

Letters of Transmittal 2

Introduction 4

Operation of the Plan 4

Benefit Payments 5

Contributions to the Plan 5

Investment Performance 6

Cash Flow Forecast 6

Administration 6

Tables 7

- Employees Retired Having Attained Age 65
- Employees Retired at Age 60 with 20 Years Service
- Employees Retired Having Attained 35 Years Service
- Employees Retired after Age 55 with Minimum 30 Years Service

Management's Report 8

Actuaries' Opinion 9

Financial Statements

- Auditor's Report 12
- Statement of Net Assets Available for Benefits, Accrued Pension Benefits and Unfunded Liability 13
- Statement of Changes in Net Assets Available for Benefits 14
- Statement of Changes in Accrued Pension Benefits 15
- Notes to the Financial Statements 16

- Exhibit 1 Schedule of Investments (unaudited) 21
- Exhibit 2 Schedule of Investment Transactions (unaudited) 22

Saskatchewan
Liquor and Gaming
Authority

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the sixty-first Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 2005, pursuant to the provisions of Section 54 of *The Liquor Board Superannuation Act*.

I have the honour to be, Madam,

Your obedient servant,

Debra Higgins
Minister in Charge
Liquor Board Superannuation Commission

106-04442/

Saskatchewan
Public Employees
Benefits Agency

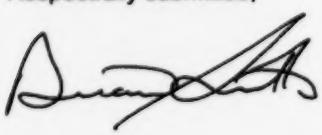
The Honourable Debra Higgins
Minister in Charge
Liquor Board Superannuation Commission
Regina, Saskatchewan

Madam:

Letter of Transmittal

I have the honour to submit herewith the sixty-first Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 2005, pursuant to the provisions of Section 54 of *The Liquor Board Superannuation Act*.

Respectfully submitted,



Brian Smith
Chairman
Liquor Board Superannuation Commission

Liquor Board
Superannuation Commission

Introduction

The primary purpose of the Commission is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The plan also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent to retirement.

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of *The Liquor Board Superannuation Act*.

Liquor Board
Superannuation Commission

Brian Smith	Chairman
Barry Lacey	Member
Randy Werner	Member

Operation of the Plan

This plan is a Defined Benefit pension plan, which provides a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the plan make contributions at a rate of 7%, 8% or 9%, depending on their age when they entered the plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

If there are insufficient monies in the Fund to pay allowances or other payments, the Liquor and Gaming Authority is obligated to pay any such deficiency to the Fund.

The following table below shows the number of active and retired employees in the plan as of the current and prior year-ends:

	December 31, 2005	December 31, 2004
Active Employees	57	60
Inactive Members	3	3
Retired Employees *	195	204
Totals	**255**	**267**

*Includes Superannuates, plus their dependents that are now in receipt of a survivor pension.

Benefit Payments

During the plan year, benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

The attached tables show all the individuals who retired during the year, split into various categories as to type of retirement.

Contributions to the Plan

In accordance with the contribution schedules outlined above, employee contributions to the plan during the year totaled $186,079 compared to $182,199 for the previous fiscal year.

Retirement Summary

	December 31, 2005	December 31, 2004
Attained Age 65	1	-
Attained Age 60 – no reduction	1	-
Attained 35 years of Service	-	2
Age 55 and 30 years service – reduced pension	-	1
Ill Health Pensions	-	-
Deferred Allowances now Payable	-	-
Early Retirement Allowances	-	-
Totals	**2**	**3**

Death Benefit Summary

	December 31, 2005	December 31, 2004
Employee Survivor Pension	1	-
Employee Cash Benefit	-	-
Superannuate Survivor Pension	5	6
Superannuate Cash Benefit	-	-
Totals	**6**	**6**

Termination of Employment Summary

	December 31, 2005	December 31, 2004
Deferred Pension	-	-
Cash Refund	-	-
Totals	**-**	**-**

Detailed listings of all transactions are included at the end of this report.

Investment Performance

The Liquor Board Superannuation Commission is responsible for holding in trust and investing the monies in the Plan. The Commission has retained Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performances set out by the Commission in their Investment Policy Statement for the Liquor Board Superannuation Fund (Fund). It is against these long-term investment performance objectives that the Commission assesses the performance of the investment manager.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed.

Asset Class	Market Index	Weight
Canadian	S&P/TSX Composite CPMS CAP 10 Index	22%
US	S&P 500 US Stock Index	14%
Non-North American	MSCI EAFE Index	14%
Fixed Income Bonds	SCM universe Bond Index	45%
Short-Term Investments	91 Day Canadian Treasury Bill	5%
Total		100%

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period. The performance history of the Fund as of December 31, 2005 has been:

	1-Year Return	Rolling 4 Year Average
Fund's Return	12.4%	7.3%
Benchmark Return	10.1%	6.2%

Cash Flow Forecast

The total cash inflow is the amount of employee and employer contributions expected to be received by the pension plan together with interest on investments of 6%. The total cash outflows are the amounts that are required to pay all pension obligations. Forecast of cash flows have been determined using the following long term assumptions:

Factor	Current Year Assumptions	Prior Year Assumptions
Discount Rate	4.75%	6.00%
Interest Rate	6.00%	6.00%
Inflation	2.50%	3.00%
Salary Escalation	3.50%	4.00%

The actuarial valuations prepared by Eckler Partners Ltd., also take into consideration mortality under the plan, which is reflected in the Net Cash Flow Forecasts. For the current valuation the mortality tables have been updated and reflect the most recent mortality studies (Mortality Table 4PM1994 Projected to 2015)

Year	Net Cash Outflows (000's)
2006	$(130)
2007	(97)
2008	111
2009	157
2010	297
Total next 5 Years	$338
Total 5-10 Years	$2,624
Total 11-30 Years	$9,112

Administration

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. Administration of the Liquor Board Superannuation Plan is carried out in conjunction with similar plans administered by PEBA.

Changes to administrative processes will continue to be evaluated with the intent of identifying opportunities for improving customer service and becoming more responsive to the needs of the Commission and the membership.

TABLE 1

Employees Retired Having Attained the Age of Retirement - Age 65

Name	Position	Last Monthly Salary	Age
DMYTROWICH, William	Liquor Store Asst. Manager	3,821.87	65

TABLE 2

Employees Retired at Their Option After Age 60 With 20 Years Service

Name	Position	Last Monthly Salary	Age
RIPPLINGER, Ed A.	Liquor Store Asst. Manager	3,860.70	60

TABLE 3

Employees Retired at Their Option With 35 Years Service

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 4

Employees Retired After Age 55 with Minimum 30 Years Service – Reduced

Name	Position	Last Monthly Salary	Age
NONE			

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements which follow have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgment in order that the financial statements reflect fairly the financial position of the Plan.

The present value of the pension liabilities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been audited by the Provincial Auditor whose report follows.

Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Kathy Morgan
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
March 2, 2006

ACTUARIES' OPINION

Eckler Partners Ltd. was retained by the Liquor Board Superannuation Commission (the Commission) to perform an actuarial valuation of the assets and liabilities of the Liquor Board Superannuation Plan (the Plan) on an accounting basis as at September 30, 2005. Eckler Partners was further retained to extrapolate the results of this valuation to December 31, 2005.

The valuation and extrapolation were based on:

- Membership data provided by the Commission as at September 30, 2005;
- Asset data provided by the Commission as at December 31, 2005;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan accounting; and
- Assumptions about future events (economic and demographic), which were developed by management and Eckler Partners Ltd., and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data are sufficient and reliable for the purposes of the valuation and the extrapolation. We also believe that the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuation and extrapolation have been performed in accordance with accepted actuarial practice.

John Corp

John Corp, FIA, FCIA
Eckler Partners Ltd.

March 2, 2006

LIQUOR BOARD SUPERANNUATION COMMISSION

LIQUOR BOARD SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

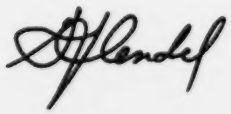
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits, accrued pension benefits and unfunded liability of the Liquor Board Superannuation Plan as at December 31, 2005 and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and unfunded liability of the Plan as at December 31, 2005 and the changes in net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
March 2, 2006

Fred Wendel, CMA, CA
Provincial Auditor

LIQUOR BOARD SUPERANNUATION COMMISSION **STATEMENT 1**

LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS AND UNFUNDED LIABILITY

AS AT DECEMBER 31

	2005	2004
ASSETS		
Due from General Revenue Fund (Note 5)	$ 103,414	$ 62,929
Investments		
Pooled Funds (Note 3)	15,660,697	14,522,074
Receivables		
Employees' contributions	8,375	9,072
Employer's contributions	335,996	238,269
Other	1,703	2,972
Total assets	16,110,185	14,835,316
LIABILITIES		
Accounts payable	10,529	25,044
Total liabilities	10,529	25,044
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	16,099,656	14,810,272
Actuarial accrued pension benefits (Statement 3)	52,744,000	47,265,000
Unfunded liability	$36,644,344	$32,454,728

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION **STATEMENT 2**

LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31

	2005	2004
INCREASE IN ASSETS		
Investment income		
Interest	$ 4,833	$ 4,043
Pooled funds	664,605	528,258
	669,438	532,301
Market Value Adjustment	1,092,991	809,175
Contributions		
Employees'	186,079	182,199
Employer's	2,110,971	2,192,032
Total increase in assets	4,059,479	3,715,707
DECREASE IN ASSETS		
Superannuation allowances	2,694,882	2,720,894
Administration expenses (Note 8)	75,213	61,455
Total decrease in assets	2,770,095	2,782,349
Increase in net assets	1,289,384	933,358
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	14,810,272	13,876,914
NET ASSETS AVAILABLE FOR BENEFITS, end of year - to Statement 1	$16,099,656	$14,810,272

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION **STATEMENT 3**

LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

YEAR ENDED DECEMBER 31

	2005	2004
ACCRUED PENSION BENEFITS, beginning of year	$47,265,000	$45,724,000
INCREASE IN ACCRUED PENSION BENEFITS		
Interest on accrued benefits	2,777,000	2,794,000
Benefits accrued	723,000	671,000
Change in actuarial assumptions	6,120,000	1,213,000
	9,620,000	4,678,000
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	2,695,000	2,721,000
Experience gain	1,446,000	416,000
	4,141,000	3,137,000
ACCRUED PENSION BENEFITS, end of year – to Statement 1	$52,744,000	$47,265,000

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION

LIQUOR BOARD SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2005

1. Description of the Plan

a) General

The Liquor Board Superannuation Plan is a defined benefit final average pension plan established under *The Liquor Board Superannuation Act* (Act). The Act also established the Liquor Board Superannuation Fund to account for all transactions of the Plan. Membership is comprised of employees of the Liquor and Gaming Authority (previously Liquor Board) who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978. When a member of the Public Service Superannuation Plan or the Saskatchewan Power Corporation Superannuation Plan becomes an employee of the Liquor and Gaming Authority, the members' accumulated contributions and interest are transferred to the Liquor Board Superannuation Plan and the members are given credit for his/her full service under the former plan.

Complete Plan details are contained in the Act, *The Superannuation (Supplementary Provisions) Act and The Superannuation Acts Uniform Regulations.*

b) Administration

The Liquor Board Superannuation Commission administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions. The employer contributes a fixed percentage of the members' contributions as necessary to fund the benefits provided by the Plan. This rate is set periodically by the Commission on the advice of the Actuary.

d) Retirement

Normal retirement is at age 65. Employees may retire earlier under certain conditions.

e) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) **Investments**

Pooled funds are recorded based on the net asset value per unit of the underlying assets on the last valuation date of the Plan's year.

The change in the market value of investments during the year is reflected on the financial statements as a market value adjustment.

b) **Investment Transactions and Income**

Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Dividend income is recognized on the record date. Monetary items denominated in foreign currency are translated at the exchange rate in effect at year-end.

3. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed is to invest cash flows from contributions and investment returns into pooled funds.

a) **Interest Rate Risk**

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets. Interest rate risk is managed by investing in a fixed income pooled fund that varies the duration of fixed term securities.

b) **Credit Risk**

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality.

c) **Foreign Currency Risk**

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or negative effect on the value of investments. The Plan limits the foreign currency risk by limiting the investment in foreign funds.

d) **Market Risk**

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Board's policy is to invest in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies and Objectives.

Pooled Funds

The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The Plan's pooled funds are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2005	2004	2005	2004	2005	2004	2005	2004
	(000's)				(000's)		(000's)	
Greystone Fixed Income Fund	667	643	2.77	2.84	$ 6,786	$ 6,491	$ 458	$ 461
Greystone Canadian Equity Fund	129	180	0.49	0.79	3,483	4,029	944	601
Greystone EAFE Plus Fund	214	174	0.17	0.15	2,159	1,593	224	95
Greystone US Equity Fund	210	184	5.62	4.49	2,383	2,002	114	169
Greystone Money Market Fund	85	41	1.73	0.61	850	407	17	11
					$15,661	$14,522	$1,757	$1,337

4. Obligation for Accrued Pension Benefits

An actuarial valuation of the Liquor Board Superannuation Plan was performed as at September 30, 2002 and extrapolated to December 31, 2004 by Eckler Partners Ltd. An actuarial valuation of the Liquor Board Superannuation Plan was also performed as at September 30, 2005 and extrapolated to December 31, 2005 by Eckler Partners Ltd. The actuary used the projected benefit method prorated on services to determine the actuarial present value of accrued pension benefits.

The pension liability is based on a number of assumptions about future events including: discount rate, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

	2005	2004
Salary escalation rate	3.50%	4.00%
Inflation rate	2.50%	3.00%
Discount rate	4.75%	6.00%
Mortality table	1994 UPM (Projected to 2015)	1994 GAM (without projection)

The actuarial present value of accrued pension benefits contains a provision for ad hoc increases that require approval of the Lieutenant Governor-in-Council. For calculating the present value of accrued pension benefits, based on previous year's experience, 50% of the Consumer Price Index is used. The Lieutenant Governor-in-Council may, however, provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions she considers advisable.

The following illustrates the effect of changing certain assumptions from assumed rates of: inflation 2.50%, salary 3.50%, discount rate 4.75% and post retirement indexing 1.25%.

	Long-Term Assumptions							
	Inflation*		Salary		Discount Rate		Post Retirement Indexing	
	3.5%	1.5%	4.5%	2.5%	5.75%	3.75%	1.875%	0.625%
(Decrease) increase in liability	(5.0%)	5.4%	0.9%	(0.9%)	(10.4%)	12.6%	6.8%	(6.2%)

* A change in the inflation rate of 1% has a corresponding change in the discount rate of 1%, in the salary scale of 1% and in the post retirement indexing of 0.5%.

The long-term assumptions changed as outlined in the table above. Most of the increase in the accrued benefits of $6,120,000 resulted because of the change in discount and inflation rates. The experience gain of $1,446,000 was a result of lower salary increases than expected, more pensioner deaths than expected, fewer retirements than expected and lower ad hoc increases than expected.

The unfunded liability is not payable immediately. The cash inflow from employee and employer contributions and the cash outflow to pay the required pension obligation are calculated using the above assumptions. The cash inflows include a 6% assumed rate of return on investments. The net cash outflows in the next 5 years would be $338,000, in the next 10 years $3.0 million and in the next 30 years $12.0 million. If there are insufficient monies in the Fund to pay allowances or other payments, the Liquor and Gaming Authority is obligated to pay any such deficiency to the Fund.

The unfunded liability could be funded if the employer contributes approximately $3,773,000 to the Fund each year for 15 years assuming an interest rate of 6.00%.

5. Due From General Revenue Fund

The Liquor Board Superannuation Plan bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty-day borrowing rate, and the Plan's average daily bank account balance. The Government's average thirty-day borrowing rate in 2005 was 2.57% (2004 – 2.20%).

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan collectively referred to as "related parties". The administration expenses of the Plan are paid to the Public Employees Benefits Agency (PEBA) Revolving Fund.

Other transactions with related parties and amounts due to or from them are disclosed separately in these financial statements and notes.

Related party transactions with the Plan are in the normal course of operation and are recorded at exchange amounts agreed to by the parties to the transactions.

7. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2005	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	12.4%	7.3%
Target rate of return (b)	10.1%	6.2%

(a) The annual return is before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Capped 10% Index, Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Universe Bond Index.

8. Administration Expenses

	2005		2004
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	$65,649	$39,635	$39,767
Investment management fees - Greystone	-	35,578	21,688
	$65,649	$75,213	$61,455

Investment management fees are based on the market value of the portfolio.

9. Fair Value of Financial Assets and Financial Liabilities

The pension liability is long-term in nature and there is no market for settling these pension obligations. Therefore, determination of the fair value of the pension liability is not practical (note 4).

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (note 2).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities.

a) employees' and employer's contributions receivable
b) other receivables
c) due from General Revenue Fund
d) accounts payable

LIQUOR BOARD SUPERANNUATION COMMISSION **EXHIBIT 1**

LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited)

DECEMBER 31, 2005

Security	Market Value
Pooled Funds	
Greystone Managed Investments Canadian Equity Fund	$ 3,483,341
Greystone Managed Investments Fixed Income Fund	6,785,575
Greystone Managed Investments Money Market Fund	849,560
Greystone Managed Investments US Equity Fund	2,382,898
Greystone Managed Investments EAFE Plus Fund	2,159,323
Total Long Term Investments	$ 15,660,697

LIQUOR BOARD SUPERANNUATION COMMISSION **EXHIBIT 2**

LIQUOR BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS (Unaudited)

YEAR ENDED DECEMBER 31, 2005

	Units	Purchases	Disposals	Net
Pooled Funds				
Greystone Canadian Equity Fund	(51,235)	$ 326,439	$ 1,634,550	$ (1,308,111)
Greystone Fixed Income Fund	23,596	538,280	310,150	228,130
Greystone Money Market Fund	44,291	670,334	227,423	442,911
Greystone United States Equity Fund	25,809	432,320	139,150	293,170
Greystone EAFE Plus Fund	39,628	479,232	89,700	389,532
Total Pooled Funds		$ 2,446,605	$ 2,400,973	$ 45,632

Summary of Investment Transactions	
Increase in Equities	$ 45,632
Total Investment Transactions	$ 45,632
Investments, beginning of year	14,522,074
Market Value Adjustment	1,092,991
Investments, end of year (market value)	$ 15,660,697